



October 27, 2011

To All Stakeholders:

GEO CORPORATION

Head office: 1-1-1 Miyamachi, Kasugai City, Aichi

President: Tetsuya Morihara

(Security Code: 2681 Tokyo Stock Exchange, Nagoya Stock Exchange, First Section)

Contact: Takayuki Kubota, Executive Vice President

Tel: +81-568-33-4388

## Information about Investigation of GEO and former Affiliated Company

The GEO CORPORATION Board of Corporate Auditors has asked an external attorney and certified public accountant to perform an investigation to determine if there were any transactions involving suspicious payments at GEO and a former affiliated company. An announcement is being made today because a progress report concerning this investigation was received yesterday.

### 1. Background

The GEO Board of Corporate Auditors received a report in June 2011 from an individual at the company concerning the possibility of suspicious payments involving a consulting contract at GEO. In response to this report, the corporate auditors began an investigation the same month.

The Board of Corporate Auditors submitted reports to the GEO representative directors and performed an internal investigation by conducting internal audits as part of the corporate auditors' auditing activities. The investigation revealed an increasing number of transactions to check, problems involving transactions with internal parties and other items. As a result, the corporate auditors concluded that it was not possible to perform this investigation internally. On September 9, 2011, the investigation was outsourced to an external attorney and certified public accountant, both of whom have no relationships with GEO, in order to conduct the investigation from an independent and fair standpoint and make use of specialized knowledge.

### 2. Investigation method

The investigation involves interviewing associated parties and checking documents and electronically stored data involving the transactions under investigation.

### 3. Objectives of investigation

(1) Determine whether or not there were any transactions involving suspicious payments at GEO and a former affiliated company

(2) Determine whether or not there were any violations of laws, regulations and internal rules concerning internal transactions by GEO directors

(3) Other items associated with items (1) and (2)

\*With regard to item (2), there was a resolution on July 21, 2011 for a change in directors and a request for one director to resign. However, the investigation was outsourced due to the decision that there was a need to perform the investigation from a more specialized perspective.

### 4. Upcoming events

GEO expects to receive a report containing a summary of the investigation results by the end of November 2011 and a final investigation report in December. The contents of these reports will be announced promptly.